

**Invitation to Partner No. 2004-3494,
Incorporating Addenda 1 through 4**

April 29, 2005

**COMET – Pension System
Resumption Project**



**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
400 P Street
Sacramento, California 95814**

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

COMET – PENSION SYSTEM RESUMPTION PROJECT

INVITATION TO PARTNER NO. 2004-3494, INCOPORATING ADDENDA 1 THROUGH 4

SCHEDULE OF EVENTS

ITP Release Date	February 9, 2005
Conduct Vendor Conference	February 24, 2005 at 10:00 a.m. PST
Begin Posting Responses to Questions on CalPERS Website	March 1, 2005
Response Filing Period Begins	April 4, 2005
Deadline to Submit Written Questions	April 22, 2005 at 3:00 p.m. PDT
Post Final Responses to Questions on CalPERS Website	April 29, 2005
Deadline to Submit Notice of Intent to Respond	May 6, 2005 at 3:00 p.m. PDT
Final Filing Date*	May 23, 2005 at 3:00 p.m. PDT
Evaluation of Responses and Reference Checks*	April 4 – May 27, 2005
Post CalPERS Qualified Business Partners List on CalPERS Website*	May 31, 2005
Release Draft Sections of COMET – Pension System Resumption Alternative Procurement Request for Proposal and Contract to Qualified Business Partners*	June, 2005
Deadline to Submit Comments on Draft RFP Sections and Contract*	June, 2005
Release COMET – Pension System Resumption Alternative Procurement Request for Proposal*	TBD

* All dates after the final filing date are tentative and are subject to change by CalPERS written notification to all Vendors.

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
COMET- PENSION SYSTEM RESUMPTION PROJECT
INVITATION TO PARTNER NO. 2004-3494, INCORPORATING ADDENDA 1 THROUGH 4
TABLE OF CONTENTS

I	PURPOSE OF THIS INVITATION TO PARTNER	1
	A. Purpose	1
	B. Vendor Conference	2
	C. Notice of Intent to Respond	2
	D. Alternative Procurement RFP Process	2
	E. Project Background	4
	F. CalPERS Current Systems and Transaction Volumes	6
II	ITP QUALIFICATIONS AND PARTICIPATION INFORMATION	7
	A. Introduction	7
	B. Level I Requirements	8
	C. Level II Requirements	12
III	RESPONSE REQUIREMENTS	14
IV	SUBMISSION OF RESPONSES	16
V	REVIEW OF RESPONSES	18
VI	GENERAL INFORMATION	19
	A. Errors and Omissions	19
	B. Questions Regarding the RFP	19
	C. CalPERS Restricted Contact Policy	19
	D. Addenda	20
	E. Appeal Procedures	20
	F. Other Criteria	21

EXHIBITS

1. CalPERS Current Systems and Transaction Volumes
2. Preliminary Review Sheet
3. CalPERS Restricted Contact Policy
4. CalPERS Staff Participating in COMET – Pension System Resumption Project

ATTACHMENTS

- I. Project Reference Form
- II. Project Success Statistics
- III. Company Standards Reference Form

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

COMET – PENSION SYSTEM RESUMPTION PROJECT

INVITATION TO PARTNER NO. 2004-3494, INCORPORATING ADDENDA 1 THROUGH 4

SECTION I – PURPOSE OF THIS INVITATION TO PARTNER

A. PURPOSE

CalPERS is seeking assistance from the vendor community in the replacement of its legacy pension systems applications. This Invitation to Partner (ITP) is the first step in an Alternative Procurement Request for Proposal (RFP) process. CalPERS intends to establish a pool of prospective Vendors with the necessary background, experience, and financial stability to participate in the subsequent RFP process.

The CalPERS ITP process will establish a pool of Qualified Business Partners (QBPs) to act as prime contractors to provide the services necessary to develop and implement the COMET - Pension System Resumption (PSR) Project. To successfully qualify as prime contractors, vendors must fully meet all Level I requirements outlined in Section II. Additionally, to successfully compete in the RFP process, vendors will have to fully meet all requirements including Level II outlined in Section II. Vendors will be allowed to partner with subcontractors, if necessary, to meet Level II requirements. However, all requirements must be fully met prior to release of the RFP.

This ITP prescribes the process that will be followed and outlines the specific information to be supplied by interested Vendors who wish to be considered for inclusion in the vendor pool. Additionally, it contains project background information, transaction volumes for the existing environment, and a discussion of the RFP acquisition process for the subsequent procurement.

Only those firms that respond to this ITP and meet the qualification criteria will be considered potential QBPs and receive the RFP to participate in the remainder of the procurement process. Prior to issuance of the RFP, QBPs will receive draft sections of the RFP and contract for review and comment. If a QBP believes that one or more of the RFP requirements is onerous, unfair, or imposes unnecessary constraints to the QBP in proposing less costly or alternate solutions, the QBP may recommend a change. QBPs must provide the facts substantiating the reasons for making the recommended change. The transmittal letter will provide specific details and the time line for submission of review comments.

B. VENDOR CONFERENCE

CalPERS will conduct a vendor conference on February 24, 2005 at 10:00 a.m. PST at the following location:

California Public Employees' Retirement System
400 P Street, Room 1140
Sacramento, CA 95814

C. NOTICE OF INTENT TO RESPOND

Vendors intending to submit a Response to this ITP are requested to submit a Notice of Intent to Submit a Response by 3:00 p.m. PDT, May 6, 2005 via electronic mail to:

psr_solicitation@calpers.ca.gov

Please reference "Notice of Intent to Submit a Response" in the subject line.

D. ALTERNATIVE PROCUREMENT RFP PROCESS

This Alternative Procurement will be conducted using a multi-step process. The submission steps for QBPs are: Conceptual Proposal, Initial Draft Proposal, Final Draft Proposal, and Final Proposal (each step is described below). During the procurement process, confidential Vendor meetings will be held as necessary. The purpose of these meetings is to allow CalPERS to provide feedback and permit each Vendor to request clarification or ask questions specific to their proposed solution without having to share those questions with the other participating Vendors, thus protecting the confidential nature of each solution. Responses to Vendor general questions will be shared with all Vendors. The bidding steps are as follows:

1. Conceptual Proposal

The purpose of the Conceptual Proposal is to allow each Vendor to:

- Provide a general concept of a proposal with just enough detail to enable CalPERS to determine if the Vendor is on the right track toward meeting the functional requirements as stated in the RFP; and if not, where the Vendor must change a concept;
- Map the system core business requirements structure (to be provided by CalPERS for mapping purposes) to the Vendor's conceptual approach;
- Provide a "ball park" cost estimate for the conceptual approach being proposed; and

- Articulate why their approach is a custom, commercial-off-the-shelf (COTS), or a modified COTS solution. This step invites the Vendor to be as innovative as the RFP requirements allow, and to provide sufficient dialog between CalPERS and the proposing firms to shape the initial responses and to eliminate unnecessary constraints.

2. Initial Draft Proposal

The purpose of the Initial Draft Proposal is to allow each Vendor to provide a “first draft” of its proposal to determine at an early stage whether the proposal is totally responsive to all the requirements of the RFP, and if not, which elements are not responsive and what changes would be necessary and acceptable. In addition, Vendors are encouraged to propose new ideas, concepts, and reengineering approaches etc. that they believe provide added value to the proposal. During this step the Vendors are allowed the flexibility to demonstrate any or all of the functionality or processes in their proposed solution.

3. Final Draft Proposal

The purpose of the Final Draft Proposal is to provide CalPERS with a completed proposal, excluding cost data, in order for CalPERS to identify any administrative defects which, if not corrected, could cause the Final Proposal to be rejected. CalPERS will notify the Vendor of any defects it has detected in the Final Draft Proposals, or of the fact that it did not detect any such defects. CalPERS does not guarantee that all defects will be identified during this review process.

The Final Draft Proposal should correspond to submittals and agreements of the previous steps in the process, if required, and must be completed as required by the RFP Proposal Format section. The inclusion of cost information in the Final Draft Proposal may be a basis for rejecting the proposal and notifying the Vendor that further participation in the procurement is prohibited.

4. Final Proposal

The Final Proposal should be the Final Draft Proposal with any changes agreed to during the confidential discussions and include the completed Cost Volume. The Cost Volume is to be submitted under separate cover. Any costs appearing in the Final Proposal other than in the Cost Volume will be grounds for disqualification.

5. General Process Guidelines

If selected to participate in the RFP process, the Vendors will be asked to provide a total business solution that will include cost for hardware, staffing, applications and associated implementation services, documentation, training, project management, data conversion, testing, and an estimate of CalPERS resources. CalPERS will not be specifying hardware, software, telecommunications or architectural preferences, but may provide some restrictions for those platform or infrastructure areas that CalPERS deems cannot be replaced. To be considered responsive, each Vendor will have to develop a business and technical solution that addresses all the functions described in the RFP and meets all the regulations and requirements in the RFP.

The following represent several key requirements that must be present in each Vendor's response to the RFP:

- Award will be to a single prime contractor (no joint venture proposals allowed)
- It is the responsibility of the potential QBP to ensure selected systems integrators or software vendors/solution providers are not aligned with any other potential QBPs
- Vendors will be required to warrant that the system will operate properly and meet all requirements in the RFP both functionally and performance of technology
- Vendor's proposed solution may not mandate changes to State and CalPERS regulations and statutes
- Vendors will be required to identify key project staff, and the initial key project staff must be approved in writing by CalPERS
- Each Vendor will be required to submit a Letter of Bondability during the RFP process and post a Performance Bond or Certificate of Deposit upon contract award

E. PROJECT BACKGROUND

Prior to 1995, CalPERS Pension System consisted of batch-oriented mainframe architecture with numerous overlapping databases that carried a high rate of redundant data elements. These legacy systems support the: (1) enrollment of employees, retirees, and health benefit recipients; (2) contribution activities that included reporting, benefit calculation etc, and (3) payment of benefits for all retired employees.

In the mid-1990s, CalPERS made the decision to move to a centralized (or corporate) database concept to expand their performance capability, deal with Y2k (4-digit year) issues, be more responsive to changing customer and stakeholder demands, and to resolve the problems created by the excessive amounts of redundant data contained in the legacy pension systems. The Corporate Database (CDB) concept was known as the Corporate Online Member Employer Transactions (COMET) Project. This concept called for the creation of one unified repository for all Pension System information (data) needed by CalPERS and their business partners.

The COMET strategy included the development of the CDB, in addition to other systems that would interface with the CDB. The strategy encompassed six phases comprised of ten projects to replace CalPERS primary legacy pension applications and add additional functional systems.

While seven of the projects were completed, several of the core legacy batch-oriented applications are still in operation. The failure to complete the replacement of the core systems has resulted in a highly fragmented and interface-dependent environment that requires maintenance of:

- A back-bridge to move data between the CDB and the legacy Enrollment, Contribution Reporting, and Benefit Payments systems
- A process to refresh the data in order to create synchronization of the legacy systems and CDB databases
- Both legacy and the new CDB architecture, systems, and staff
- New environments and applications, and
- Interdependencies amongst other systems and applications, major projects, and program areas

In an effort to achieve the originally desired benefits of the COMET project, CalPERS has initiated the PSR Project. The business solution provided as an outcome of the PSR Project needs to support the following strategic goals:

1. Provide an information system addressing all of the fundamental business requirements of California's public pension system
2. Facilitate customer self service access to account information and initiate transactions
3. Facilitate the movement to a paperless operational environment

4. Enhance the integrity of pension related data
5. Facilitate a reduction in overall Information Technology operations support and costs related to the retirement line of business
6. Allow flexibility to implement required benefit/pension changes in a timely manner
7. Facilitate financial traceability and reconciliation between Enrollments, Benefits, and Contributions
8. Assist CalPERS in enforcing compliance with mandated laws, regulations, and policies
9. Facilitate the work environment movement from clerical to analytical processes
10. Simplify pension related information across all CalPERS processes enabling a common understanding by all staff

F. CALPERS CURRENT SYSTEMS AND TRANSACTION VOLUMES

Exhibit I provides the annual transaction volumes and database sizes for the existing CalPERS pension system components.

SECTION II – INVITATION TO PARTNER QUALIFICATIONS AND PARTICIPATION INFORMATION

A. INTRODUCTION

CalPERS is requesting interested Vendors to submit information regarding their qualifications to become a QBP. Interested Vendors must provide information as requested for each of the following qualification categories:

- **LEVEL I**

Minimum requirements **must** be met by potential QBP as prime vendor.

1. Technical Experience
 - a) Application Integration
 - b) System Implementation
 - c) Software Maintenance
2. Project Success Statistics
3. Company Standards
4. Financial Stability
5. Public Sector Experience

- **LEVEL II**

Minimum requirements may be met by potential QBP and/or their subcontractors. Once a QBP and their subcontractor(s) are qualified, this “team” must go forward in the RFP process as proposed. Any change in the QBP “team” composition will require requalification at the sole discretion of CalPERS.

1. Technical Experience
 - a) Data Conversion
 - b) Data Communications and Network Infrastructure
2. Pension System Experience

B. LEVEL I REQUIREMENTS

1. TECHNICAL EXPERIENCE

Minimum Requirement:

Vendors must provide a minimum of three (3) customer references substantiating their qualification in each of the areas of application integration, system implementation, and software maintenance. These references must be reported on Attachment I, Project Reference Form. Vendors must complete a separate form for each customer reference. References for pension system projects are preferred, but not required. Vendors can use the same reference for more than one area of qualification.

a) Application Integration

References should indicate where the Vendor has provided information systems integration, implementation, and ongoing operations services in support of a project at least twenty-five (25) percent of the size and complexity of the PSR Project. For the purposes of determination, refer to CalPERS annual transaction volumes listed in Exhibit I.

b) System Implementation

Vendors must provide references where their firm has acted as the prime contractor and implemented an integrated system with a minimum of 1000 workstations and three geographically dispersed physical locations.

c) Software Maintenance

Vendors must provide references that clearly demonstrate said Vendor has provided directly or has acted as prime contractor to provide software maintenance services for a minimum period of 24 months after completion of the cited implementation(s) for the information management system(s) being proposed. If the software provider is a subcontractor to the prime Vendor, please include pertinent information describing the respective roles and responsibilities of the Vendor and the subcontractor.

2. PROJECT SUCCESS STATISTICS

Minimum Requirement:

Vendors must respond to the questions about their project performance experience on Attachment II, Project Success Statistics.

3. COMPANY STANDARDS

Minimum Requirement:

Vendors must use an industry-accepted standard or methodology for the project. Vendors must provide a discussion of their methodology and standards used and include a list of projects where they used the standards and methodology successfully in an implementation. The Vendor must also provide a discussion of their Quality Assurance Process (QAP) as evidenced by past performance on projects using models such as:

- ISO 9000
- QA Institute
- ANSI/IEEE Software Engineering Standards
- Carnegie Mellon's Software Capability Maturity Model (CMM)

This information must be reported on Attachment III, Company Standards Reference Form.

4. FINANCIAL STABILITY

Vendors must have achieved average annual gross revenues of \$50,000,000 or more per year over the last three fiscal years. A Vendor's response will not be evaluated if this requirement is not met.

Minimum Requirements:

- a) The Vendor must provide financial information or records that support average annual gross revenue of \$50,000,000 or more for each of the company's last three fiscal years.
- b) The Vendor must provide a letter of reference from its primary banking source, which substantiates the Vendor's relationship with that financial institution and indicates that the Vendor is in good standing.
- c) The Vendor must disclose any past, pending, or expected arbitrations, mediations, proceedings, judgments, litigation, governmental or regulatory actions; or other potential financial reversals, which might materially affect the viability of stability of the Vendor's organization or its ability to provide services to CalPERS.

Any of the submitted financial information identified by Vendor as confidential, shall be treated as such by CalPERS and returned upon request after the Vendor's responsibility has been determined.

5. PUBLIC SECTOR EXPERIENCE

Vendors must provide a minimum of two (2) references, which demonstrate they have previously developed or implemented a system for a State of California department with multiple system architectures, operating systems, and workstation configurations. Use Attachment I, Project Reference Form.

Or

If the Vendor has not worked with the State of California, they must demonstrate their experience working for another government entity with multiple system architectures, operating systems, and workstation configurations. Use Attachment I, Project Reference Form.

6. PROHIBITED RELATIONSHIPS

- a) One purpose of this Section B.6 is to prevent violations of California law relating to conflicts of interest in government procurement, including but not limited to the following statutory provisions and relevant case law:
 - i) California Government Code § 1090, which prohibits government officials from having a financial interest in contracts made by them in their official capacity;
 - ii) California Government Code § 87100, which prohibits government officials from using their positions to influence governmental decisions in which they know or have reason to know they have a financial interest; and
 - iii) California Public Contract Code § 10410, which, with limited exceptions, prohibits government officials from engaging in any enterprise in which they have a financial interest that is sponsored or funded by a state agency or department through a state contract.

A secondary and related purpose of this Section B.6 is to take reasonable precautions to avoid either the fact or the appearance of impropriety, unfairness, conflict of interest, or improper influence that could compromise the validity of any contract that results from the ITP, or call into question the integrity of CalPERS procurement process, without regard to whether such fact or appearance would also constitute a violation of California law.

- b) For purposes of this Section 6, “vendor” refers to a prime contractor responding to the ITP and all subcontractors at any level or tier.
- c) Any vendor having any:
 - i) employee;
 - ii) officer;
 - iii) director; or
 - iv) shareholder who owns more than 3% of the equity interest of the vendor,

who is personally employed in any capacity by CalPERS (as a full-time employee, independent contractor, or otherwise) or whose spouse, domestic partner, or dependent is so employed (“CalPERS Individual”) may not be engaged as a contractor or subcontractor at any tier or level on a contract arising out of the RFP if such CalPERS Individual, acting in his or her official capacity:

- i) has participated in;
- ii) is participating in; or
- iii) is reasonably anticipated to participate in

the ITP, the RFP, or the PSR on behalf of CalPERS. CalPERS shall, in its sole discretion, determine whether any CalPERS Individual has participated in, is participating in, or is reasonably anticipated to participate in any governmental decision relating to the ITP, the RFP, or the PSR project more generally. Persons who are considered to be “participating” in the ITP, the RFP, or the PSR on behalf of CalPERS for purposes of this clause include, but are not limited to, the following:

- i) members of the CalPERS Board of Administration,
- ii) the Chief Executive Officer, the General Counsel, and all employees whose classification is listed in Exhibit 4.

- d) In addition to the prohibition in subdivision (c) above, vendors may not be engaged as a contractor or subcontractor if their participation would be reasonably likely to cause a contract to be void or voidable pursuant to Article 8 of Chapter 2 of Part 2 of Division 2 of the Public Contract Code, beginning at section 10410; Article 1 of Chapter 7 of Title 9 of the Government Code, beginning

at section 87100 to include section 87103, and Chapter 11 of Title 9 of the Government Code, beginning at section 91000 to include section 91003; or Article 4 of Chapter 1 of Division 4 of Title 1 of the Government Code, beginning at section 1090.

- e) In any ITP response and any subsequent RFP response submitted, and any contract executed by a vendor regarding the PSR, the vendor will be required to warrant and represent that, after conducting a reasonable inquiry, to the best of its knowledge their engagement is not prohibited under subdivision (c) or (d) above or under Section VI.F.5 and VI.F.7 of the ITP. If, at any time after the ITP response or subsequent RFP response is submitted or the contract is executed, any vendor selected for work learns that a relationship of the type prohibited by subdivision (c) or (d) above or in Section VI.F.5 and VI.F.7 of the ITP exists, the vendor shall immediately notify CalPERS, and CalPERS reserves the right to take appropriate action, including disqualifying the vendor from entering into a contract for work on the PSR or voiding any executed contract, consistent with state law.

C. LEVEL II REQUIREMENTS

1. TECHNICAL EXPERIENCE

Minimum Requirement:

Vendors must provide a minimum of two (2) customer references substantiating their qualification in the areas of data conversion and data communications and network infrastructure. These references must be reported on Attachment I, Project Reference Form. Vendors must complete a separate form for each customer reference. References for pension system projects are preferred, but not required. Vendors can use the same reference for more than one area of qualification.

a) Data Conversion

References should indicate where the Vendor has successfully managed the conversion of legacy data files from one electronic format to its proposed system format as part of a project at least ten (10) percent of the size and complexity of the PSR Project. For the purposes of determination, refer to CalPERS annual transaction volumes listed in Exhibit I.

b) Data Communications and Network Infrastructure

Vendors must provide references that clearly demonstrate their experience implementing applications on a TCP/IP network using a variety of propriety and open software products/tools.

2. PENSION SYSTEM EXPERIENCE

Minimum Requirement:

Vendors must provide a minimum of two (2) references, which demonstrate work with large public or private sector pension systems and indicate the size, complexity, and volume of the system implemented. Use Attachment I, Project Reference Form.

SECTION III – RESPONSE REQUIREMENTS

A. RESPONSE REQUIREMENTS

In order to be responsive and facilitate the qualification process, Vendors must submit their response to this ITP in the format specified below and on the forms as indicated under each of the requirements. The forms are provided on CalPERS website in Microsoft Word format and Vendors are cautioned to provide requested information without altering the forms. Forms that deviate materially from the prescribed format may lead to the rejection of the Response.

Tab 1 – Cover Letter

The cover letter must be on company letterhead and identify the contact person and include a telephone number, e-mail address, and a fax number. The letter must be signed by an officer of the firm and contain the following:

- A statement to the effect that the vendor warrants and represents that, after conducting a reasonable inquiry, to the best of its knowledge their engagement does not include a prohibited relationship described in Section II.B.6.
- If subcontractors are used to meet the Level II requirements, indicate the name of the firm(s) and their role(s) in satisfying the qualification requirements.

Tab 2 – Level I Technical Requirements

Vendors must provide a Project Reference Form, Attachment I, for each project to be considered. Vendors must provide a minimum of three (3) customer references and may provide additional customer references to a maximum of six (6).

Tab 3 – Level I Project Success Statistics

Vendors must complete and return the Project Success Statistics form, Attachment II.

Tab 4 – Level I Company Standards

Vendors must complete and return the Company Standards Reference Form, Attachment III.

Tab 5 – Level I Financial Stability Information

Vendors must submit financial information as requested in Section II.B.4, Financial Stability. A Vendor's response will not be evaluated if this requirement is not met.

Tab 6– Level I Public Sector Experience

Vendors must provide a minimum of two (2) Project Reference Forms, Attachment I, demonstrating public sector experience.

Tab 7– Level II Technical Requirements

Vendors must provide a Project Reference Form, Attachment I, for each project to be considered. Vendors must provide a minimum of two (2) customer references and may provide additional customer references.

Tab 8 – Level II Pension System Experience

Vendors must provide a minimum of two (2) Project Reference Forms, Attachment I, demonstrating pension system experience.

SECTION IV – SUBMISSION OF RESPONSES

This ITP includes an extended qualification timeframe in order to reach all interested Vendors. Vendors may submit a Response beginning on April 4, 2005 and closing on May 23, 2005.

- A. Responses must be submitted as set forth below:
1. Submit a total of ten (10) copies of the Response and one CD-ROM version.
 2. Two (2) copies of the Response must be **unbound**, (i.e. no binder covers, comb bindings, etc.) and submitted as follows:
 - One unbound copy containing original signatures must be marked **“Master Copy”**, and
 - The second unbound copy must be marked **“Copy for Reproduction”** and formatted as follows:
 - (a) No divider sheets or tabs
 - (b) Text printed on one side only (i.e., no back-to-back pages)
 - (c) Pages with proprietary information removed
 - (d) A cover sheet listing the firm’s name, the total number of pages, and identification of which page(s) has (have) been removed due to proprietary information.
 3. The remaining eight (8) copies must be **bound** and organized in a manner to facilitate ease of review by evaluators.
- B. All copies must be submitted in one package, which must be sealed and clearly marked on the outside as **“RESPONSE TO INVITATION TO PARTNER NO. 2004-3494, DO NOT OPEN”**.
- CalPERS is not responsible for receipt of any Response which is improperly labeled and accepts no responsibility for lost and/or late delivery of Responses.
- C. The Response package may be submitted beginning April 4, 2005 and must be received no later than May 23, 2005 by 3:00 p.m. PDT in Room 2220 addressed as follows:

Contracts Administrator
California Public Employees’ Retirement System
400 P Street, Room 2220
Sacramento, CA 95814

All Response packages will be date and time-stamped upon receipt in Room 2220. Responses received in Room 2220 after the final filing date and time will not be considered.

U.S. Mail: Response packages delivered via the United States Postal Service WILL NOT be delivered directly to the above address. Instead, it will be processed as bulk mail and held at a local post office for CalPERS to pick up.

Personal Delivery: Personal deliveries must be made at CalPERS loading dock, located on 3rd Street, between P and Q Streets. Park in the loading dock area and proceed to the Security station. Vendors will be assigned a visitor's badge and directed to Room 2220.

Please allow sufficient time for the mailing/delivery processes mentioned above to ensure that the Response package will arrive in Room 2220 by the final filing date and time.

- D. Upon submission, all Responses become the property of CalPERS and are subject to public inspection. If the Vendor seeks to exempt certain pages or items from public inspection, Vendor should clearly mark them as "PROPRIETARY INFORMATION". CalPERS will use reasonable efforts to exempt such pages or items from public disclosure, but makes no representations or warranties that such efforts will be successful. Please note that the entire Response cannot be considered proprietary information.
- E. Except as specifically requested by CalPERS, submission of a Response or any portion thereof via facsimile transmission, electronic, or magnetic media is not allowed. CalPERS will not accept or consider any Response material submitted in this manner.
- F. CalPERS may reject all Responses if, based on its exclusive discretion, the Responses do not meet CalPERS need.
- G. Only one Response from an individual, firm, partnership, corporation or combination thereof, will be considered. Multiple Responses submitted by a Vendor under more than one name will be cause for rejection of all Responses submitted by the Vendor.
- H. If CalPERS determines that a Vendor is submitting a Response using a systems integrator or software vendor/solution provider that has already been qualified with another potential QBP, the Response will be considered deficient.

SECTION V – REVIEW OF RESPONSES

Responses will be reviewed, in the order received, as outlined below.

A. Preliminary Review

The Response will be reviewed using the Preliminary Review Sheet, Exhibit 2, to determine if all of the necessary documentation has been provided. A response will not be reviewed unless all required documentation has been provided. CalPERS will issue a deficiency notification and identify any defects it has detected in the Response. It will be incumbent upon the Vendor to correct their Response and resubmit a complete Response that complies with submission requirements outlined in Sections III and IV.

B. Qualification Review

Upon satisfactory preliminary review, the Response will be reviewed to determine if the Vendor meets the minimum requirements. References will be contacted and information verified for accuracy. CalPERS will notify Vendors of their status upon the completion of this review.

If CalPERS determines that a Response does not meet the minimum qualifications, CalPERS will issue a deficiency notification and identify any defects it has detected in the Response. It will be incumbent upon the Vendor to correct their Response and resubmit a complete Response that complies with submission requirements outlined in Sections III and IV.

C. Post Qualified Business Partners List to CalPERS Website

CalPERS will post the QBP list on the CalPERS website located at www.calpers.ca.gov on the date specified in the Schedule of Events. Only QBPs will be allowed to continue in the procurement process.

SECTION VI – GENERAL INFORMATION

A. Errors and Omissions

If a Vendor discovers any ambiguity, conflict, discrepancy, omission or other error in this ITP, the Vendor should immediately notify CalPERS of such error in writing and request clarification or modification of the document. This notification must be submitted pursuant to the procedures described in Section VI.B., “Questions Regarding the ITP”.

B. Questions Regarding the ITP

1. Vendors requiring clarification of the intent and content of this ITP may request clarification only by submitting questions via electronic mail to:

psr_solicitation@calpers.ca.gov

Please reference ITP No. 2004-3494 in the subject line.

To ensure a response, questions must be received by 3:00 p.m. PDT, April 22, 2005. Questions will be posted on the CalPERS website located at www.calpers.ca.gov without identifying the source of the query. The first responses to questions will be posted on March 1, 2005 and additional responses will continue to be posted until April 29, 2005.

2. Questions regarding the competitive Response procedure only (i.e., questions dealing with format, packaging, etc.) may be submitted via electronic mail to:

psr_solicitation@calpers.ca.gov

Please reference ITP No. 2004-3494 in the subject line.

Responses will be directed to the respective Vendor only. CalPERS will use reasonable efforts to respond to questions in a timely manner.

C. CalPERS Restricted Contact Policy

Vendors must comply with Government Code section 20153, as it exists and as amended by the Legislature and implemented by the Board of Administration from time to time, concerning restricted contact policies. A copy of the existing code section is attached as Exhibit 3.

D. Addenda

CalPERS may modify any part of the ITP, prior to the final filing date, by issuance of an addendum. Addenda will be numbered consecutively and posted to the CalPERS website located at www.calpers.ca.gov. To access, click on the Business Partners tab and the Invitation to Partner shortcut.

E. Appeal Procedures

1. A Vendor who has submitted a timely Response and is not selected as a QBP may appeal that determination. There is no appeal from a finding that Vendor is not qualified because of a failure to submit required information or that CalPERS cannot validate the submitted reference information.
2. The appeal must be submitted within two (2) State Working days after CalPERS posting the QBP List on the CalPERS website located at www.calpers.ca.gov. The Vendor shall submit a full and complete written statement specifying the grounds for the appeal and the facts on which they are based. The appeal shall be submitted by fax to the Contracts Administrator with a hard copy sent by overnight delivery for the following business day:

Contracts Administrator
California Public Employees' Retirement System
400 P Street, Room 1120
Sacramento, CA 95814
Fax No. (916) 795-3379
3. CalPERS shall review the appeal and relevant materials and make a final determination within five (5) State Working Days of the receipt of the appeal and all relevant materials. The determination will be final and binding.
4. The Contracts Administrator shall notify the Vendor of the final ruling within one (1) State Working Day.
5. There is no basis for appeal if all Responses are rejected based on the best interests of CalPERS.

F. Other Criteria

1. Right to Reject Any or All Responses

The policy of CalPERS is to solicit Responses with a bona fide intention to award a contract. This policy will not affect CalPERS right to reject any or all Responses or to cancel the solicitation at any time.

2. Vendor Admonishment

All prospective Vendors are admonished that it is their responsibility in responding to this ITP to:

- Carefully read the entire contents of this ITP
- Ask appropriate questions in a timely manner if clarification is necessary
- Submit all required responses by the required dates and times as specified in the Schedule of Events
- Ensure that all the procedures and requirements of the ITP are accurately followed and appropriately addressed
- Submit all required forms under the proper tabs

3. Vendor's Costs

All costs for developing Responses and attending interviews at CalPERS headquarters are entirely the responsibility of the Vendor and shall not be chargeable to CalPERS.

4. Review of Responses Subsequent to Contract Award

Written or oral Response evaluation debriefings will not be given to unsuccessful Vendors. However, all Responses and all evaluation sheets, which are retained by CalPERS as a permanent record, shall be made available for public inspection.

5. Conflict of Interest

Compliance is required with California Public Contract Code Sections 10410 and 10411 relating to employment of current and former state employees.

6. Corporate Qualifications To Do Business In California

Vendors who are either foreign or domestic corporations must be in good standing and must be qualified to do business in California currently and during the term of the contract.

7. Follow-On Contracts

No person, firm, or subsidiary thereof or their officers or directors, who has been awarded a consulting services contract, or a contract which includes a consulting component, may submit a Response or be awarded a contract for the provision of service, delivery of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be an outgrowth of advice or recommendations submitted pursuant to the consulting service contract.

CaIPERS CURRENT SYSTEMS AND TRANSACTION VOLUMES

Business Components	Process	Key System Information								
		Primary System Enablers	Description	Annual Transaction Volumes	Frequency	Platform	Programming Language	Processing Method	Internal Interfaces	External Interfaces
Contracts										
	Contract Request Processing, Contract Negotiation and Finalization Contract Maintenance Organization Demographics Maintenance Reoccurring Event Processing	CalPERS Online Member and Employer Transaction (COMET),	The Contract business component consists of establishing and maintaining Retirement contracts with public agencies, school districts, the state, and administering the agreement between the State of California and the Social Security Administration. The purpose of this business component is to facilitate new contracts, valuations, amendments, resolutions, reciprocal agreements and social security agreements with public/state and school agencies. Currently, new contracts and contract amendments are produced via manual paper methods for contracting agencies. Primary inputs for the Contracts business component are Anticipated Schedule of Agency Actions and Contract Amendment Request form. Primary outputs include new and ammended contracts. The Contracts business component provides contract and benefit detail information to the Enrollment and Contribution business components to support the enrollment of new members.	40 New Contracts 120 New Contracts Requests 300 Contract Amendments 5,600 Organization Maintenance Request 5,000 Current Contracts	Daily	Oracle	Forte	Real Time, Batch	Automated Communication Exchange System (ACES), Contribution Reporting (CRS), Retirement Information Benefit System (RIBS), Actuarial Valuation System (AVS)	Franchise Tax Board (FTB), State Controller's Office (SCO)
Enrollment										
	Maintain Participant	COMET, Judges' Accumulated Contribution System (JAC), Judges' Current Contribution System (JCC), Legislative Roll System (LRS)	The Enrollment business component consists of establishing and maintaining participant enrollments in PERS, LRS, JRS, JRSII, and Health Programs. Enrollment activities include the processing of an initial enrollment and subsequent maintenance to participant enrollment accounts. Mass update processes provide CalPERS the ability to update enrollment changes for groups of individuals. Primary inputs into this component include enrollment information from employers and SCO. The primary output for enrollment is a welcome package. The Enrollment business component provides participant information for the Contribution and the Benefit Payments business components and relies on Contract information to enroll participants.	1.4 million participants	Daily	Oracle	Forte	Real Time, Batch	ACES, AVS, Benefit Equity System (BES), CRS, RIBS	Employment Development Department (EDD), FTB, Internal Revenue Service (IRS), SCO

Business Components	Process	Key System Information								
Contributions										
	Contribution Reporting Payment Processing Employer Account Maintenance Participant Account Maintenance	Contribution Reporting System (CRS) Legacy Retired Judges (JUD)	The Contributions business component consists of the processes supporting the receipt, reporting and auditing of participant and employer contribution data to the respective retirement account funds. Contribution statements are issued to active (i.e. not retired) participants. In addition, this component includes the ability to make adjustments to a participant's contribution amount. Primary inputs into this component consist of payroll listings and payments from the California State Controllers Office, State Non-Central agencies, County Offices of Education, California counties and contracting public agencies. Primary outputs consist of updated and audited participant accounts. The Contribution business component provides information to support the payment of benefits and relies on the Enrollment component information to post contributions.	48,000 Contribution Reports	Daily	VSAM	COBOL & Natural	Real Time, Batch	COMET, Judges Estimate System (JES), RIBS, Service Credit Buyback Account (SCBA)	SCO, EDD, FTB, IRS, AVS, Employers
Benefit Payments										
	Benefit Calculation Benefit Maintenance Benefit Request Processing Payment Processing Reoccurring Event Processing	JUD, Retirement Benefit System (RIBS)	The Benefit Payments business component consists of processes supporting the initial processing of the benefit request, calculating the allowance, paying the benefit and various reoccurring maintenance activities. The primary inputs to this component are requests to receive benefit (e.g., service retirement, disability, death) and requests for retirement allowance estimates. The primary output is a benefit payment, including the delivery of the benefit roll transactions to the State Controller's Office (SCO). The Benefit Payments component relies on the information provided from the Contracts, Enrollment, and Contributions components to pay benefits.	29,000 retirement applications 413,000 retirees	Daily	ADATABASE	Natural	Real Time, Batch	AVS, COMET, CRS, Death Case Management System (DCMS), PeopleSoft Financials	SCO, EDD, IRS

Business Components	Process	Key System Information								
Health										
	Contract Request Processing Contract Negotiation and Finalization Contract Maintenance Reoccurring Event Processing Organization Demographics Maintenance Maintain Subscriber	COMET	The Health program is available to active and retireed State employees, public agencies and school employers. While State employees are entitled to health benefits by law, public agencies and school employers must contract with CalPERS in order to provide Health benefits to their employees through the CalPERS Health program. Participation in the Health program for public agencies and employers is not contingent upon participation in the CalPERS' retirement program. The funding source for health benefits is derived from employer and participant premium payments. The Health program includes maintaining contracts and enrollment information, generating agency billings and disbursing health carrier payments. Primary inputs into this component include paper forms and electronic media from SCO and employers. The primary outputs for this program consist of correspondence to the subscriber indicating their enrollment status and payments to the health carriers. The Health program utilizes contract and enrollment information from the CalPERS pension system.	1.2 million participants	Daily	Oracle	Forte	Batch	ACES, CRS, RIBS, PA Billing	FTB, SCO, Carriers, Department of Personnel Administration (DPA)



California Public Employees' Retirement System
Comet - Pension System Resumption Project
Preliminary Review Sheet

Preliminary Review Sheet (11/01/04)

Firm's Name _____

The response package includes the following:

TECHNICAL PROPOSAL RESPONSE REQUIREMENT	YES	NO
Received (10) copies of Response packages as specified in the ITP.		
Received (1) CD ROM Version as specified in the ITP.		
Received by time and date specified in ITP.		
One unbound copy containing original signatures marked " Master Copy ".		
One unbound copy containing original signatures marked ' Copy for Reproduction ' and formatted as follows: a. no divider sheets or tabs b. text printed on one side only (i.e., no back-to-back pages) c. pages with proprietary information removed d. a cover sheet listing the Proposer's name, the total number of pages, and identification of which page(s) has (have) been removed due to proprietary information.		
Tab 1 - Cover Letter The cover letter must be on company letterhead and identify the contact person and include a telephone number, e-mail address, and a fax number. The letter must be signed by an officer of the firm and contain the following: <ul style="list-style-type: none">A statement to the effect that the vendor warrants and represents that, after conducting a reasonable inquiry, to the best of its knowledge their engagement does not include a prohibited relationship described in Section II.B.6.If subcontractors are used to meet the Level II requirements, indicate the name of the firm(s) and their role(s) in satisfying the qualification requirements.		

Firm's Name _____

TECHNICAL PROPOSAL RESPONSE REQUIREMENT	YES	NO
Tab 2 - Level I Technical Requirements Minimum of three (3) and maximum of six (6) Project Reference Forms, Attachment I		
Tab 3 - Level I Project Success Statistics Project Success Statistics Form, Attachment II		
Tab 4 - Level I Company Standards, Attachment III		
Tab 5 - Level I Financial Stability Information financial statements and letter from banking source)		
Tab 6 - Level I Public Sector Experience Minimum of two (2) Project Reference Forms, Attachment I demonstrating public sector experience		
Tab 7 - Level II Technical Requirements Minimum of two (2) Project Reference Forms, Attachment I		
Tab 8 - Level II Pension System Experience Minimum of two (2) Project Reference Forms, Attachment I demonstrating pension system experience		

COMMENTS: _____

Signature of Reviewer

Date



**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
COMET- PENSION SYSTEM RESUMPTION PROJECT
INVITATION TO PARTNER NO. 2004-3494
RESTRICTED CONTACT POLICY**

California Government Code section 20153

- (a) During the process leading to an award of any contract by the system, no member of the board or its staff shall knowingly communicate concerning any matter relating to the contract or selection process with any party financially interested in the contract or an officer or employee of that party, unless the communication is (1) part of the process expressly described in the request for proposal or other solicitation invitation, or (2) part of a noticed board meeting, or (3) as provided in subdivision (c). Any applicant or bidder who knowingly participates in a communication that is prohibited by this subdivision shall be disqualified from the contract award.
- (b) During the evaluation of any prospective investment transaction, no party who is financially interested in the transaction, or an officer or employee of that party, may knowingly communicate with any board member concerning any matter relating to the transaction or its evaluation, unless the financially interested party discloses the content of the communication in a writing addressed and submitted to the executive officer and the board prior to the board's action on the prospective transaction. This subdivision shall not apply to communications that are part of a noticed board meeting, or as provided in subdivision (c).
 - (1) The writing shall disclose the date and location of the communication, and the substance of the matters discussed. The board shall prescribe other procedures concerning this disclosure.
 - (2) Any board member who participates in a communication subject to this subdivision shall also have the obligation to disclose the communication to the executive officer and board, prior to the board's action on the prospective transaction. The board shall prescribe procedures for this disclosure, including procedures to apply to board members who fail to disclose communications as required by the subdivision.



- (3) Consistent with its fiduciary duties, the board shall determine the appropriate remedy for any knowing failure of a financially interested party to comply with this subdivision including, but not limited to, outright rejection of the prospective investment transaction, reduction in fee received, or any other sanction.
 - (4) The communications disclosed under this subdivision shall be made public, either at the open meeting of the board in which the transaction is considered, or if in closed session, upon public disclosure of any closed session votes concerning the investment transaction.
- (c) The procedures and prohibitions prescribed by this section shall not apply to:
 - (1) Communications that are incidental, exclusively social, and do not involve the system or its business, or the board or staff member's role as a system official.
 - (2) Communications that do not involve the system or its business and that are within the scope of the board or staff member's private business or public office wholly unrelated to the system.

**CALPERS STAFF PARTICIPATING IN COMET – PENSION SYSTEM
RESUMPTION PROJECT**

ACTUARIAL & EMPLOYER SERVICES DIVISION

Chief Actuary
Division Chief
Assistant Division Chief
Associate Pension Actuary
Senior Pension Actuary
Staff Services Manager (Special Projects)
Staff Services Manager II (Supervisor)
Supervising Pension Actuary

BENEFIT SERVICES DIVISION

Division Chief
Staff Services Manager III
Retirement Program Specialist II (PSR Division Coordinator Only)

EXECUTIVE OFFICE

Deputy Executive Officers (All)
Assistant Executive Officer (All)
CEA, Special Asst to Board President

FISCAL SERVICES DIVISION

Division Chief

Accounting Administrator II (PSR Division Coordinator Only)

Accounting Administrator III

Staff Services Manager I

Staff Services Manager II (Supervisor)

INFORMATION TECHNOLOGY SERVICES BRANCH

Division Chief

Data Processing Manager II

Data Processing Manager II

Data Processing Manager IV

System Software Specialist III (All Classes)

Senior ISA/PA (Supervisor)

LEGAL OFFICE

Deputy General Counsel

Assistant Chief Counsel

Staff Counsel

Staff Counsel III (All Classes)

Staff Counsel IV

MEMBER SERVICES DIVISION

Division Chief

Staff Services Manager II (Supervisor)

Staff Services Manager III

Retirement Program Specialist II (PSR Division Coordinator Only)

OFFICE OF DECISION AND PROGRAM SUPPORT SERVICES

Division Chief

Health Program Manager II

Health Program Manager III

Staff Services Manager (All)

OFFICE OF EMPLOYER & MEMBER HEALTH SERVICES

Division Chief

Retirement Program Specialist II (PSR Division Coordinator Only)

Retirement Program Specialist II (Supervising)

Staff Services Manager I

Staff Services Manager II (Supervising)

Staff Services Manager III

OFFICE OF POLICY AND PROGRAM DEVELOPMENT

Division Chief

Staff Services Manager I

PENSION SYSTEM RESUMPTION PROJECT

All Classifications



PROJECT REFERENCE FORM

Vendor Name: _____	Contact/Name: _____
E-Mail Address: _____	Phone: _____

Complete one or more of the related categories shown on page 2 of this form to indicate which type of system was installed or implemented.

Client Name: _____	Contact Name: _____
Address: _____	Phone #: _____
_____	Fax #: _____

Project Methodology Used:

(Provide response here)

Project Objectives:

(Provide response here)

Vendor Firm's Involvement:

(Provide response here)

Project Benefits:

(Provide response here)

Size of System:

# of Users: _____	Size of Database: _____
# of Workstations: _____	Name of DBMS: _____
# of Geographically-disbursed Locations: _____	# of Records: _____
Original estimate of size/complexity (# of Requirements, Functional Points, SLOC, etc.): _____	
Size/complexity at completion (# of Requirements, Functional Points, SLOC, etc.): _____	
Type of Network (i.e., LAN and/or WAN): (Provide response here)	

Project Measurements for this Project:

Total Est. Cost: _____	Total Actual Cost: _____
Total Est. Hours: _____	Total Actual Hours: _____
Estimated Start and Completion Dates	From _____ To: _____



PROJECT REFERENCE FORM

Vendor Name: _____	Contact/Name: _____
Client Name: _____	Contact Name: _____
E-Mail Address: _____	Phone #: _____

Actual Start and Completion Dates From _____ To: _____

Complete the following items as applicable to the cited reference:

1. Application Integration - Name/type of application integrated:

(Provide response here)

2. Conversion

Avg. record size converted: _____ # of records converted: _____

Time frame to complete conversion: From _____ To: _____

Methods/techniques used in conversion:

(Provide response here)

3. Software Maintenance (Role/responsibilities of Vendor in provision of software maintenance):

(Provide response here)

Length of time system has been in production: _____ Years

Maintenance period supported: From _____ To _____

4. Data Communications Network Infrastructure (description of network utilized):

(Provide response here)

5. Success Statistics If the answer to any of the following questions is yes, please describe / explain the situation/variances below.

Project/contract terminated prior to successful conclusion? Yes _____ No _____

(If yes, provide any explanations here)

Total billings for the project increased by more than 10%: Yes _____ No _____

(If yes, provide any explanations here)

Delivery schedule for this project increased by more than 90 days: Yes _____ No _____

(If yes, provide any explanations here)



PROJECT REFERENCE FORM

Vendor Name:	_____	Contact/Name:	_____
Client Name:	_____	Contact Name:	_____
E-Mail Address:	_____	Phone #:	_____

Complete the following items as applicable to the cited reference:

Miscellaneous Information about Project Reference:

1. List the type of contract (Fixed Price, Time & Materials, Cost Plus, etc.):

(Provide response here)

2. Vendor payments based on: (check one)

Deliverables: ☐ Milestones: ☐ Time & Materials: ☐ Lump Sum: ☐ Other: ☐

(If other, provide explanation here)

3. Number of Subcontractors used and roles:

(Provide response here)

4. Role of Vendor after customer acceptance:

(Provide response here)

5. Where was the system installed? (client site, data center, ASP, etc.)

(Provide response here)

6. Did the completed project achieve the original objectives as stated by the customer?

(Provide response here)



PROJECT SUCCESS STATISTICS

Vendor Name: _____	Contact/Name: _____
E-Mail Address: _____	Phone: _____

QUESTIONS	Yes	No
<p>1. In the last three years, has your firm had an implementation project or contract terminated prior to successful conclusion?</p> <p>(If yes, provide the details of the situation here)</p>		
<p>2. For any project in the last three years, did your total contract billings increase by more than ten (10) percent from the amount that was originally stipulated in the contract?</p> <p>(If yes, provide the details of the situation here)</p> <p>Was there a corresponding customer-acknowledged gain, benefit, or improvement above the original target, which resulted in an increase from the original cost? If so, please describe the additional benefits</p> <p>(If yes, provide the details of the situation here)</p>		
<p>3. For any project completed within the last three years, did the delivery schedule increase by more than 90 days over the life of the project from the original schedule?</p> <p>(If yes, provide the details of the situation here)</p> <p>Was there a corresponding customer-acknowledged gain, benefit, or improvement above the original target, which resulted from the additional time? If so, please describe the additional benefit.</p> <p>(If yes, provide the details of the situation here)</p>		
<p>4. List of all State, Federal and/or local government contracts, which were completed within the last five years. This list is for information purposes only. Only those projects listed on the Project Reference Form (Attachment I) will be scored.</p> <p>(Provide list here)</p>		



COMPANY STANDARDS REFERENCE FORM

Vendor Name: _____	Contact/Name: _____
E-Mail Address: _____	Phone: _____

Describe your standards and methodology on this form.

Standards Used:

(Provide response here)

Methodology Used:

(Provide response here)

Quality Assurance Process:

(Provide response here)

Provide a list of projects where the standards and methodology were successfully implemented. You may provide more than four references.

Project Title: (Provide response here)

Client Name: _____	Contact Name: _____
Address: _____	Phone #: _____
_____	Fax #: _____

Project Title: (Provide response here)

Client Name: _____	Contact Name: _____
Address: _____	Phone #: _____
_____	Fax #: _____

Project Title: (Provide response here)

Client Name: _____	Contact Name: _____
Address: _____	Phone #: _____
_____	Fax #: _____

Project Title: (Provide response here)

Client Name: _____	Contact Name: _____
Address: _____	Phone #: _____
_____	Fax #: _____